Dealing With an Expanding European Community: Australia's Attitude Towards the EC'S 1st Enlargement

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With the entry of ten new countries from Central, Eastern and Southern Europe on 1 May 2004, the European Union (EU) accomplished the biggest and most ambitious enlargement in its history. Yet the widening of EU membership, while unprecedented on such a large scale, was hardly an unusual challenge for the European Union. Prior to 2004, in fact, the latter had carried out four enlargements, with each of them posing demanding challenges to the EU. This was particularly true of the first enlargement in 1973. Albeit more limited in scope than the one in 2004, the 1973 enlargement was regarded at the time as an ambitious venture given the inclusion of a major power such as Britain. Throughout the 1960s the prospect of British entry into the European Community (EC) had been a source of concern within certain European circles – among which de Gaulle's France figured prominently – because of Britain's potential to disrupt, if not totally undermine, the Community's carefully balanced and painstakingly crafted power arrangements. With its vast, if shrinking, network of close political, military and economic ties with non-European countries, including the Commonwealth nations and the United States, Britain was perceived as a potentially destabilising factor – or a "Trojan horse" in Charles de Gaulle's words – for the recently established European Community.

However, if the inclusion of a major power threatened to upset the Community's internal balance of power, it is also true that EC membership posed a number of problems to Britain itself, as well as to its non-European partners – especially those Commonwealth countries that had retained strong links with London. In the early 1960s, Australia was undoubtedly one of the most influential members of the Commonwealth and Britain's closest ally in the Asian region. Australia was still linked to Britain by a vast array of formal and informal links. These links were not confined to foreign policy, defence or trade, but encompassed a wide range of issues – from constitutional arrangements to social connections.

This article argues that Australian policy-makers regarded Britain's EC membership with deep disquiet as they believed British entry would undermine Britain's close political and economic ties with Australia. Furthermore, they were concerned that British efforts to join the EC would weaken London's willingness to play a politico-military role in Southeast Asia, where Australia's main strategic interests lay, and hasten British departure from the region. Given Australia's reliance on the presence of sizeable British forces in Southeast Asia to maintain regional stability, it was not unnatural that an possible British disengagement was regarded with concern in Canberra. Australian policy – makers feared that this would undermine Australia's "forward defence" policy – whereby defence of Australia was best achieved "in depth", through forward deployments on the rim of the Asian continent – and leave a military and political vacuum in a highly volatile region.

Thus, in assessing the political, economic and strategic implications of the EU's first enlargement for Australia, this article examines how Canberra perceived the challenge posed by British entry into the EC and how it responded to it. In doing so, the article aims to throw light on a hitherto under-researched aspect of the EU's first enlargement by drawing extensively on newly released archival material from the National Archives of Australia (NAA) in Canberra and the National Archives (TNA) in London. While a number of scholars have looked at the impact of EC enlargement upon Australia and the Commonwealth, they have almost exclusively focused on Britain's first application to the EC in 1961-63.[1] Britain's renewed bid for EC membership in 1967 and the resumption of EC-UK negotiations in 1970-72 have drawn very little interest. So has their impact on Australia and the Commonwealth.[2] Similarly, scant attention has been devoted to the impact of British entry on Australia's strategic interests in Cold War Asia.[3] This is a rather conspicuous oversight since British forces in the Far East, in addition to their role in defending Britain's remaining colonial possessions and supporting Western military objectives in the region, provided Australia with an important security guarantee.

Australia's Policy in Response to Britain's Application to the EC, 1961-63

In 1961 Britain's conservative government, led by Harold Macmillan, took the historical step to apply for EC membership.[4] The British decision came as a shock to the Liberal-Country Party coalition government of Robert Menzies which had hitherto put faith in repeated British assurances that Commonwealth interests

1. S. WARD, *Australia and the British Embrace: The Demise of the Imperial Ideal*, Melbourne University Press, Melbourne, 2001; H.G. GELBER, *Australia, Britain and the EEC, 1961 to 1963*, Oxford University Press, Melbourne, 1966. D. GOLDSWORTHY, *Menzies, Macmillan and Europe*, in: *Australian Journal of International Affairs*, 2(1997), pp.157–169; J. O'BRIEN, *The British Commonwealth and the European Economic Community, 1960–63: The Australian and Canadian Experiences*, in: *Round Table*, 340(1996), pp.479–491; P. ROBERTSON and J. SINGLETON, *Britain, the Dominions and the EEC, 1961–1963*: in: A. DEIGHTON and A. MILWARD (eds.), *Widening, Deepening and Acceleration: The European Economic Community 1957–1963*, Nomos Verlagsgesellschaft, Baden-Baden, 1999, pp.107–122.
2. A. BENVENUTI, *The End of the Affair: Britain's Turn to Europe as a Problem in Anglo-Australian Relations, 1961-72*, DPhil Thesis, University of Oxford, 2003, chap.6; P. ALEXANDER, *From Imperial Power to Regional Powers – Commonwealth Crises and the Second Application*: in: O. DADDOW (ed.), *Harold Wilson and European Integration. Britain's Second Application to Join the EEC*, Frank Cass, London, 2003.
3. The only work on this topic is A. BENVENUTI, op.cit.
4. For Macmillan's decision to apply to the EC see W. KAISER, *Using Europe, Abusing the Europeans: Britain and European Integration, 1945–63*, Macmillan, London 1996, chap.5; J. TRATT, *The Macmillan Government and Europe: A Study in the Process of Development*, Macmillan, Basingstoke, 1996, chaps.4–12; A. MILWARD, *The Rise and Fall of a National Strategy*, Frank Cass, London, 2002, chap.11.

would never be sacrificed in a deal with the Six.[5] Ardent anglophile Menzies was a prime example of the pro-imperial tradition in Australian political history.[6] Through the 1950s he had sought to maintain very close relations with the "Mother Country". Therefore, it was hardly surprising that the Australian response to Britain's growing interest in EC membership was one of deep concern. In May 1961, Australian minister for Trade John McEwen warned cabinet that, should Britain join the EC without adequate safeguards for Commonwealth exports, the economic consequences for Australian trade could be disastrous. Some £140–150 million, or 55–60% of Australia's exports to the British market, could be affected according to the nature of the agreement. Australia's agricultural exports, in particular, stood to suffer considerable damage as a result of the concomitant dismantling of imperial preferences and Britain's adoption of the Common External Tariff (CET), which would establish a 'reverse preference' in favour of European farmers. A further problem was represented by the attempts made by the Six in the early 1960s to set up a common agricultural regime which, depending on the level of protection accorded to European farmers, could lead to the exclusion of Australian farm exports from British and European markets.[7]

While it is undeniable that British entry would force painful readjustments on Australia's farming sector, it is also true that McEwen tended to over-emphasise the potential damage of entry on the Australian economy as a whole. Australia was less dependent on the British market than New Zealand, which sent Britain 53% of its total exports in 1960.[8] But with its power-base in the countryside, McEwen's Country Party had traditionally championed the interests of rural Australia. McEwen and his party were therefore resolved to do whatever it took to ensure that Australian rural concerns be heard both in Canberra and London. As deputy Prime minister and head of the influential department of Trade (DT), McEwen would successfully claim a central role in Australian policy-making on the EC issue. This, in turn, ensured that Canberra would adopt a tough stance on the question of Britain's entry into the EC.

The political consequences of entry were examined by the department of External affairs (DEA) in a submission to cabinet in late June.[9] In the view of External affairs, British entry was, on the whole, likely to have a negative impact on Australia DEA was concerned that, as a result of entry, Britain

5. S. WARD, *Australia and the British Embrace …*, op.cit., p.69. The term, "the Six", commonly refers to the six European countries (Belgium, France, Italy, Luxembourg, the Netherlands and West Germany) which established the EEC and Euratom by signing the Treaty of Rome on 25 March 1957.
6. Ibid., p.21; D. GOLDSWORTHY, *Australian External Policy and the End of Britain's Empire*, in: *Australian Jounal of Politics and History*, 1(2005), pp.17-18.
7. NAA [National Archives of Australia, Canberra], A1838/283, 727/4/2 part 1, Cabinet Submission 1108, 05.05.1961. On the possible implications of a common agricultural policy for Australian primary produce see P. LUDLOW, *Too Far Away, Too Rich and Too Stable: The EEC and Trade with Australia during the 1960s*, in: *Australian Economic History Review*, 3(2001), pp.283-284.
8. Australia sent Britain only 22% of its total exports. See J. SINGLETON and P. ROBERTSON, *Economic Relations between Britain and Australasia, 1945-1970*, Palgrave, Basingstoke, 2002, p.166.
9. NAA, A1838/269, TS899/1/4 part 2, Cabinet Submission 1183, 26.06.1961.

> "might lose both the interest in maintaining and the ability to maintain, an effective strategic role in the world beyond Suez, where Australia's defence interests lie".[10]

Lacking the necessary military capabilities to undertake an independent defence role in Southeast Asia, Australia depended on close defence co-operation with Britain and the United States. Throughout the 1950s, however, Washington had regarded Southeast Asia, and more specifically the Malayan region, as very much a Commonwealth responsibility, and carefully avoided any involvement in the area. As a consequence, Australia's forward defence policy relied heavily upon retaining a close military partnership with Britain, which maintained a significant military presence in the region centred on well-established bases in Singapore and Malaya.[11]

While strategic questions were uppermost in their minds, DEA officials also saw that British entry would have wider political ramifications. In their view, these threatened to disturb "the whole complex of relationships, including the Commonwealth, on which Australia's traditional outlook and politics rest[ed]". It was evident that

> "to the extent that the Commonwealth [drew] its vitality from some common political and economic interests [with Britain] it would be weakened by the United Kingdom's entry into Europe".

Furthermore, the DEA was much concerned about the impact that entry would have on the strong ties of "kith and kin" which had traditionally bound the old dominions to Britain. The DEA believed that "the countries which [were] likely to be hardest hit economically if the United Kingdom joins the E.E.C. [were] those which ha[d] traditionally placed most importance on their attachment of sentiment to the United Kingdom". "How would", External affairs speculated, "these attachments be affected by a decision which resulted in serious hardship?"[12]

Negotiations between Britain and the Six opened in October 1961. Feeling that "Australia could not regard any of her trade items as expendable", the Menzies government decided to convey to the British "Australia's firm attitude" on this point. The Australian view was that Canberra should not accept transitional arrangements as a means of safeguarding its trade interests in the British market. Nor should it accept a final settlement based on vague understandings that the Commonwealth trade problem would be subject to further negotiations, which would leave Australia at "the mercy of the Six".[13] Trade officials in Canberra favoured the concept of "comparable outlets", whereby trade losses deriving from the phasing out of Commonwealth preferences in the British market should be made up by "comparable" gains in an enlarged EC market.[14]

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10. Ibid.
11. Singapore was Britain's largest military establishment in the Far East and underpinned the British military presence. In 1957 British forces in the Southeast Asian theatre included 21,000 Army troops, ten Royal Air Force squadrons, together with two cruisers, four destroyers and five frigates that formed the Royal Navy Far East station. See NAA, A1838/269, TS692/2 part 1, Joint Planning Committee Report 34/1957, July 1957.
12. NAA, A1838/269, TS899/1/4 part 2, Cabinet Submission 1183, 26.06.1961.
13. NAA, A3917/1, vol.9, Cabinet Submission 1327, 28.08.1961.
14. Ibid.

It must not be forgotten that Australia's close economic relationship with Britain was based on a system of mutual trade concessions, known as the Ottawa Agreement, which Britain and its dominions negotiated at the Ottawa Imperial Economic Conference in 1932. Under the Ottawa Agreement, Britain and Australia were committed to protect their reciprocal trade interests in their respective economies and to accord each other's exports preferential treatment in their own markets. In 1956 London and Canberra negotiated a new preferential agreement. Its main features were the continuation of preferential trade between the two countries, an across-the-board cut in the margin of preference on British exports to Australia, a reiteration of the 1952 meat agreement committing Britain to purchase all Australian beef, and a non-binding clause whereby Britain endeavoured to buy 750,000 tonnes of Australian wheat each year.[15]

Preliminary talks between Australian and British officials in September 1961 however had revealed that, despite London's efforts not to upset the Commonwealth, Australian and British interests could hardly be reconciled. While both British and Australian officials agreed on "comparable outlets" as a guiding principle for the forthcoming Brussels negotiations, differences remained on the extent to which Australian interests could be realistically safeguarded.[16]

Britain's negotiations with the Six proceeded slowly. This was not surprising given that Britain's opening bid was burdened with a lengthy list of requests to protect Commonwealth interests.[17] In practice, the British started the negotiations demanding that virtually all Australia's trade with Britain be shielded from the likely impact of the CET and the Common Agricultural Policy (CAP).[18] However, it soon became clear that the Six were not particularly receptive to these proposals. They were concerned that, by accepting the concept of comparable outlets, they would end up allowing for too many exceptions to the treaty of Rome.[19] Instead, the Six showed a clear preference for transitional rather than permanent arrangements to safeguard Commonwealth interests. In April 1962 the British government began to scale down its demands and to abandon its opening bid.[20]

Worried that Australian problems were not being sufficiently taken into consideration by the British, McEwen flew to Britain in the spring of 1962, where he strongly criticised the British for not doing enough to protect Australian interests.[21] A few weeks later, it was Menzies' turn to fly to Britain for talks with

15. S. WARD, *Australia and the British Embrace* …, op.cit., pp.36-37.
16. NAA, A3917/1, vol.9, Common Market—London Consultations: Note for Ministers, 04.10.1961.
17. A. DEIGHTON and P. LUDLOW, *"A Conditional Application": British Management of the First Attempt to Seek Membership of the EEC, 1961–63*: in: A. DEIGHTON (ed.), *Building Postwar Europe: National Decision-Makers and European Institutions, 1948–63*, Macmillan, London, 1995, p.110. A further reason for the British application's slow progress was the Six's determination to thrash out the fundamentals of the CAP before negotiations with the British could start in earnest. See J. SINGLETON and P. ROBERTSON, *Economic Relations* …, op.cit., p.175.
18. P. LUDLOW, *Too Far Away* …, op.cit., p.275.
19. Ibid., pp.94–96.
20. A. DEIGHTON and P. LUDLOW, *A Conditional Application* …, op.cit., p.110.
21. McEwen quoted in S. WARD, *Australia and the British Embrace* …, op.cit., p.127.

Macmillan and his ministers. Despite adopting a more conciliatory tone, Menzies reiterated his government's stance that "'solutions' under which Commonwealth preferences and other special trading arrangements [would be] phased out by 1970" were unacceptable to Australia.[22]

The two Australian leaders' visits to London were part of a wider diplomatic offensive which also targeted the United States and the capitals of the Six. In March McEwen had gone to Washington to plead the Australian case. His hopes of enlisting American support were quashed as he came to appreciate not only the extent to which the Kennedy administration supported British entry, but also the strength of American opposition to the continuance of the imperial preference system in an enlarged EC.[23] In his talks with the Six, McEwen was again disappointed. Although he found the Europeans sympathetic to the Australian plight, he obtained no assurances from them.[24] In this context, it is interesting that no significant attempt was made by Canberra to concert a joint Commonwealth strategy with Canada and New Zealand, the other two most influential Commonwealth countries. Canberra certainly kept in close touch with Ottawa and Wellington, but avoided forming a common front with its two Commonwealth partners. Like them, the Australian government was not only careful not to be seen to be ganging up on the British, but was also determined to keep its hands free in its dealings with the Macmillan government and the Six.[25]

Despite Australian pressure, it became evident by mid-1962 that Britain would enter the EC on terms that would end the imperial preference system, and establish new reverse preferences in favour of the EC member states.[26] In early August 1962, British and European negotiators reached a tentative agreement on a temperate zone foodstuffs package. Britain accepted that Commonwealth preferences would have to be phased out over a transitional period. The Six were willing to

22. NAA, A3917/1, vol.9, Cabinet Decision 275, 25.06.1962.
23. S. WARD, *Australia and the British Embrace …*, op.cit., pp.123–125; NAA, A1838/275, 727/4/1/4 part 1, McEwen to Menzies, cablegram 83, 15.03.1962.
24. NAA, A3917/1, vol.7, McEwen to Menzies, cablegram 386, 28.03.1962; McEwen to Menzies, cablegram 211, 02.04.1962; McEwen to Menzies, cablegram 1535, 07.04.1962; McEwen to Menzies, cablegram 1536, 07.04.1962. For the EC attitude towards the Australian case see P. LUDLOW, *Too Far Away …*, op.cit., pp.276–279.
25. For Australia's consultations with Canada and New Zealand on the question of British entry see file NAA, A3917/1, vol.8, United Kingdom negotiations with the European Economic Community, 1961-1963: Country attitudes – Canada, New Zealand and United States. In mid-1962, however, the Australians did try to get Canadian support for a joint diplomatic initiative aimed at urging the United States to support the idea of safeguards for the "Old Dominions" farm exports to the British market. See for instance NAA, A3917/1, vol.8, Westerman to McEwen, cable 389, 07.08.1962; Australian High Commission (henceforth AHC) Ottawa to DEA, cable 265. 20.08.1962; British/EEC negotiations: discussion by Hudspeth with Stoner, 24.08.1962.
26. S. WARD, *Sentiment and Self-interest: The Imperial Ideal in Anglo-Australian Commercial Culture*, in: *Australian Historical Studies*, 116(2001), p.103; see also See J. SINGLETON and P. ROBERTSON, *Economic Relations …*, op.cit., p.182.

contemplate special arrangements for New Zealand given its high dependence on the British market, but no special arrangements were envisaged for Australia and Canada.[27]

These disappointing developments notwithstanding, the Australian attitude at the Commonwealth Prime ministers' conference – which had been convened by Macmillan to discuss the progress of the UK-EC negotiations with its Commonwealth partners – was restrained. While critical towards the British, Menzies shied away from voicing his criticism too loudly.[28] In the summer of 1962, policy-makers in Canberra had in fact become increasingly concerned about the risks of pushing the Australian case too far. With Canada and New Zealand toning down their criticism towards Britain and with the United States encouraging Australia to facilitate Macmillan's task at the forthcoming conference, Australian ministers did not want Australia to be singled out as the British bid's chief opponent.[29] At a time of increasing political turmoil in Southeast Asia, any serious damage to Australia's traditional strategic alliances could be far more serious than the economic harm deriving from British entry into the EC.[30]

The Commonwealth Prime ministers' conference left the Menzies government in no doubt about Britain's determination to join the EC. It was clear that Britain was prepared to do so on terms which would be highly unsatisfactory for countries like Australia and Canada. Predictably, a sense of resignation set in in Australia. Policy-makers in Canberra believed that the government had done all in its power to press the Australian case and to seek satisfactory safeguards for Australia's threatened exports. Even DT, which, under the leadership of McEwen, had emerged as the fiercest defender of Australian economic interests, seemed to be giving up the game.[31] After all the sound and fury, Australians were finally resigned to the fact that Britain would join the EC and the Commonwealth interests would be the inevitable casualty.

Events in Europe, however, were to take an unexpected turn. In January 1963 French president de Gaulle shattered Macmillan's hopes of joining the EC by vetoing the British bid. The French veto ensured that no immediate material change arose in the Anglo-Australian relationship and gave Australian producers time to diversify their export markets. Yet Macmillan's unsuccessful bid created a widespread feeling in Australia that relations with Britain had changed for ever and that in order to achieve EC membership, London would allow no Commonwealth

27. NAA, A3917/1, vol.9, British paper, Meeting of the Commonwealth Prime Ministers—September 1962, August 1962. See also P. LUDLOW, *Dealing with Britain: The Six and the First UK Application to the EEC*, Cambridge University Press, Cambridge, 1997, p.94.
28. NAA, A3917/1, vol.9, Cabinet Decision 476, 02.10.1962.
29. For American pressure see Kennedy to Menzies, 02.08.1962 quoted in S. WARD, *Australia and the British Embrace …*, op.cit., p.203. See also P. WINAND, *Eisenhower, Kennedy and the United States of Europe*, Macmillan, Basingstoke, 1993, p.293.
30. S. WARD, *A Matter of Preference: the EEC and the Erosion of the Old Commonwealth Relationship*: in: A. MAY (ed.), *Britain, the Commonwealth and Europe: The Commonwealth and Britain's Application to Join the European Communities*, Palgrave, Basingtoke, 2001, pp.169–170.
31. See P. ROBERTSON and J. SINGLETON, *Britain, the Dominions …*, op.cit., p.120.

interest to stand in its way.[32] John Crawford, former secretary of the department of Trade, encapsulated the prevailing mood in Australia when he pointed out that

> "our psychology has been changed. We will never be the same as we were before we were given a shake-up by Britain's application".[33]

Britain's Second Application to the EC and its Withdrawal From East of Suez

British plans for closer engagement with Europe were eventually revived by Harold Wilson's Labour government in the closing months of 1966. By then, Wilson had concluded that integration with Europe offered better long-term opportunities for British trade despite the new government's early attempts to revive and strengthen Britain's economic links with the Commonwealth.[34] On 10 November 1966, Wilson informed parliament of his intention to conduct high-level consultations with the EC member states to see whether conditions existed for fruitful negotiations.[35] Having completed his tour of the EC capitals in early March 1967, he decided to launch a new bid for membership despite the mixed outcome of his European talks and existing divisions within cabinet.[36] On 2 May 1967, he announced his government's decision to seek EC membership.

Unlike in 1961, the Australian reaction in the run-up to the British decision to apply was muted. The Liberal-Country Party coalition government, now led by Harold Holt who had taken over from Menzies in January 1966, doubted that Britain would be able to join in the light of the persistent French hostility. The overall government view, therefore, was that the best course of action for Australia was to wait and see. Yet there was a general agreement among Australian policy-makers that "the British Government [was] committed to entering the [EC] if at all possible and that it ha[d] made up its mind to try every possible approach". Canberra knew that, in these circumstances,

> "Commonwealth interests and more specifically Australian interests [were] unlikely to be allowed to stand in the way of British entry. Australia [could] expect sympathetic consideration but no more".[37]

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32. For British-Australian economic relations in the aftermath of the French veto see J.SINGLETON, *After the Veto: Australasian Commercial Policy in the Mid Sixties*, in: *Australian Economic History Review*, 3(2001), pp.287-307.
33. John Crawford quoted in P. ROBERTSON and J. SINGLETON, *Britain, the Dominions …*, op.cit., p.106.
34. Interestingly, neither the developing members of the Commonwealth nor Australia were keen to see tighter intra-Commonwealth arrangements. See J. SINGLETON and P. ROBERTSON, *Economic Relations …*, op.cit., pp.196-197.
35. Britain, *Parliamentary Debates*, House of Commons, 1966–67, vol.735, cols.1539–1540.
36. See H. PARR, *Harold Wilson, Whitehall and British Policy Towards the European Community, 1964–1967*, PhD Thesis, University of London, 2002, chap.5.
37. NAA, A1838/275, 727/4/2 part 6, Critchley to DEA, savingram 1, 22.12.1966.

Discussions within the British cabinet in the days immediately preceding the decision to apply had in fact given a clear indication of British thinking. For Australia, they were far from reassuring. On 27 April, Commonwealth secretary Herbert Bowden told his colleagues that "we [are] not prepared to sustain the Commonwealth whatever the cost to us might be".[38] As regards Australia, he made it clear that "we should probably be unable to secure any permanent derogations […] and the outcome would probably be transitional periods for the gradual application of the levy and/or the common external tariff".[39] In 1961-63, as a Commonwealth Office official observed, the British government had been "handicapped by having to negotiate on two fronts, that is, with the Commonwealth as well as the [EC]". If Britain wished to join the EC, the British government should then

> "avoid getting into the same position again. [T]he consultations with the Commonwealth should be conducted on the basis of asking them what they want to tell us, but making no commitments to them about what we shall do about their representations, and keeping our hands free to decide what we say to the Six and at what stage of our negotiations. We should, moreover, not disclose to the Commonwealth in advance what our negotiating position is to be".[40]

Given Britain's little concern for Australian trade interests in the forthcoming UK-EC negotiations on enlargement, the Holt government was concerned that British entry would force painful readjustments on certain sectors of the economy. Agriculture was singled out as the most likely sector to suffer, as Britain would have to accept the CET and CAP. However, as Ken Campbell, the EC policy desk officer in the Department of Trade and Industry, conceded privately in January 1966, "British entry into the Common Market would not seriously affect Australian trading interests as before […]. The situation was not the same as 1963".[41] The undergoing trade diversification towards non-European markets (see table) and the incipient mineral boom were in fact expected to soften the blow of entry overall.[42]

38. TNA [National Archives, London], Cabinet Office (henceforth CAB) 128/42, CC(67)23rd meeting, 27.04.1967.
39. TNA, CAB 129/129, C(67)63, 25.04.1967.
40. TNA, Foreign and Commonwealth Office (henceforth FCO) 62/10, Shannon to Snelling, 15.05.1967.
41. NAA, A1838/275, 727/4 part 36, White to Thomson, 28.01.1966.
42. For Australia's trade diversification see A. BENVENUTI, *The End of the Affair* …, op.cit., chap.6. For the so-called mineral boom see B. DYSTER and D. MEREDITH, *Australia in the International Economy in the Twentieth Century*, Cambridge University Press, Cambridge, 1990, p.244.

Australia's main export markets, 1959–72
Source: Australian Bureau of Census and Statistics, Oversea Trade Bulettins, various years

	1959 – 60	1965 – 66		1971 – 72		
	A$ (million)	% of total exports	A$ (million)	% of total exports	A$ (million)	% of total exports
N.Zealand	109	5.8	171	6.3	277	5.7
Japan	269	14.3	470	17.3	1,360	27.8
EC	360	19.2	439	16.1	547	11.1
UK	495	26.5	473	17.4	449	9.2
USA	152	8.1	338	12.4	615	12.6

While the likely damage to Australian exports markets in Britain was a concern, there were other important – and certainly more pressing – political and strategic considerations that worried the Australian government with regard to the British attempt to seek EC membership. In February 1966, the head of the Australian Joint Service Staff in London, Air vice-marshall Hartnell, had alerted Canberra to the fact that "there [was] a considerable support" for the policy of "withdrawal from the Far East into Europe" in London.[43] In December 1966 Tom Critchley, the Australian senior External affairs officer at the London High Commission, had reported to the DEA that Britain's entry into the EC was expected

> "to reinforce current pressures for Britain to abandon its defence role East of Suez. This could be expected to follow from the growing British sentiment for Europe, from European pressures and by no means least the short-term balance of payments problems that entry into Europe [would] involve".[44]

On this last point, Critchley warned External affairs that "the prospects for cuts in overseas defence costs will grow as the prospects of Britain joining the [EC] improve[d]".[45] Under intense political pressure to rein in defence spending in the light

43. NAA, A1945/37, 287/3/22, Hartnell to Hicks, 25.02.1966. For British force levels in Southeast Asia in 1965 see A. BENVENUTI, *The End of the Affair* …, op.cit., chap.4.
44. NAA, A1838/275/4/2 part 6, Critchley to DEA, savingram 1, 22.12.1966.

of a precarious economic situation, the Wilson government in fact appeared increasingly inclined to reduce Britain's military presence in Malaysia and Singapore.[46]

Critchley's words accurately summed up the growing sense of unease prevailing in Australian official circles with regard to the strategic implications of Wilson's application to the EC. Australia's worst fears finally came truein mid-April 1967 when the British cabinet decided in principle to withdraw all British forces from East of Suez (with the exception of those stationed in Hong Kong) by the mid-1970s.[47] In fact, in January 1968 the Wilson government would bring forward the final date of withdrawal to the end of 1971. From the British records it is not possible to establish a clear correlation between Wilson's application to the EC and his East of Suez policy. The documents pertaining to the defence review that took place between December 1966 and April 1967, and that led to the decision to withdraw from Malaysia and Singapore, make virtually no reference to the EC issue. Yet connections between the two issues did exist. In early May 1967, following the decision both to join the EC and to withdraw from East of Suez, chancellor of the Exchequer James Callaghan reminded Australian High commissioner Alexander Downer that the British

> "must cut their coat according to their cloth. The price of entry to the E.E.C. for the first few years would be great. It could amount to as much as pounds 300 million or even pounds 400 million […]. This meant […] that [the British] must prune severely the defence bill. It was just impossible for Britain to remain in Malaysia […] The Government, in order to pay the price of entering the Common Market, must economise on defence".[48]

A few days later, British Defence secretary Denis Healey told US secretary of Defense Robert McNamara that "the decision [to withdraw] was being made partly for budgetary reasons, but he [Healey] also acknowledged that it was related to the British desire for association with Europe". Healey also

> "indicated that, in the British view, it would be psychologically incompatible with their proposed role in Europe for them to maintain commitments on the mainland of Asia".[49]

Although there was nothing in the Treaty of Rome to suggest that Britain's eventual membership of the EC might be inconsistent with its continuing military role in Southeast Asia, Healey seemed to subscribe to the not so uncommon view in Whitehall that de Gaulle would perhaps look more favourably at the British

45. Ibid.
46. P. PHAM, *The End to "East of Suez": The British Decision to Withdraw from Malaysia and Singapore, 1964 to 1968,* D.Phil Thesis, University of Oxford, 2001, chap.1; M. JONES, *A Decision Delayed: Britain's Withdrawal from South East Asia Reconsidered, 1961–68*, in: *English Historical Review*, 472(2002), pp.569–595; J. SUBRITZKY, *Confronting Sukarno: British, American, Australian and New Zealand Diplomacy in the Malaysian-Indonesian Confrontation 1961–5*, Macmillan, Basingstoke, 2000, pp.146–149.
47. P. PHAM, *The End* …, op.cit., chap.1.
48. NAA, A1209/80, 1966/7335 part 3, Downer to Holt, cablegram 5326, 03.05.1967.
49. NAA, A1209/80, 1966/7335 part 3, Australian Embassy Washington to DEA, cablegram 1995, 11.05.1967.

application if London were willing to abandon its world role.[50] Clearly, Australian concerns were not misplaced.

While restrained in its response, the Holt government wasted no time in drawing London's attention to the blow that the combined effect of both the withdrawal and the EC application would represent for Anglo-Australian relations. Despite further reorienting Australia's external relations towards the United States, Holt's Liberal-Country Party administration continued to view close relations with Britain as a top priority in Australian foreign policy.[51] In mid-May ambassador Downer warned Healey that if the British persisted in their plans to withdraw and simultaneously entered the EC, then the effects on the Australian public would be calamitous. The Australian High commissioner added that

> "this would extend, in our lifetime, even to the Queen's position in Australia, and that in the not-so-long-run the British connection with Australia and New Zealand would be lost".[52]

A few days before, Australian governor-general Richard Casey made the same point. He told Healey that "these two things [the withdrawal and the EC question] combined would be interpreted in Australia as definite and inescapable evidence of British indifference and isolationism so far as Australia is concerned". In his view, "it would be almost a fatal knock to the most loyal Commonwealth countries".[53]

Yet Wilson's task of taking Britain into Europe was not "all plain sailing" as the *Sydney Morning Herald* noted with foresight on 9 May 1967. At a press conference on 16 May, in fact, de Gaulle questioned whether Britain was really ready to join.[54] While not yet exerting a formal veto, he made it publicly known that he was not at all eager to see Britain join the Community. Following de Gaulle's remarks, Wilson flew to Paris in June, hoping to encourage the French president to take a less negative approach. Regrettably, Wilson's personal diplomacy produced no breakthrough. As a result, negotiations between Britain and the EC never got underway. The *coup de grace to Wilson's European aspirations came on 27 November 1967. On that day, de Gaulle declared at a press conference that "for the British Isles to be really able to tie up with the continent, a very vast and very deep transformation is still needed", thus dealing a fatal blow to Wilson's hopes of joining the EC. Despite the British cabinet's decision to "urge the Five to insist on fixing a date in January for the opening of the negotiations, and so force the issue with the French either on 18–19 December or at the beginning of January", French*

50. See for instance Circular Telegram from the Department of State to NATO Capitals, 30.07.1966, doc.266, *Foreign Relations of the United States, 1964–68, vol.12, Western Europe*, Washington, Department of State, 2001.
51. For Australia's reorientation towards the US during the premiership of Harold Holt see A. BENVENUTI, *The End of the Affair* …, op.cit., chap.5.
52. NAA, A2908/2, D25 part 1, Downer to Holt, cablegram 6177, 18.05.1967.
53. NLA [National Library of Australia, Canberra], Richard Casey Papers, MS6150, series 4, box 31, diary entries 09.05.1967 and 15.05.1967.
54. See H. PARR, *Harold Wilson* …, op.cit., chap.6.

opposition could not be overcome. On 19 December, the EC Council of ministers concluded that the conditions did not exist for the application to proceed further.[55]

In Australia, Britain's failure to open negotiations with the Six allayed local concerns about the economic aspects of the British application. Although no Australian now doubted Britain's resolve to join the EC, this temporary set-back allowed the Australian farm sector more time to reduce its reliance on the British market and to find new outlets elsewhere. This seemed to remove an irritant in Anglo-Australian relations, but did not rejuvenate the relationship. Britain's failed application did not end what Downer described as "the story of disassociation, which has become so marked in the last eighteen months".[56] Rather, it was one more step in that direction.

The Resumption of the UK-EC Negotiations for Entry, 1970-72

The Wilson government did not take de Gaulle's "non" for an answer. On 20 December, Foreign secretary George Brown told parliament that the British application remained on the agenda of the EC Council of ministers and that his government did "not intend to withdraw it", in spite of the widespread feeling in Britain that prospects for entry looked gloomy as long as de Gaulle remained in power.[57] Events, however, took a sudden turn when de Gaulle resigned in April 1969. In December 1969, the Six agreed at a summit in The Hague to open negotiations on enlargement with Britain and the other candidate countries, i.e. Ireland, Denmark and Norway. Wilson seized the opportunity and pushed for the earliest possible date for the opening of negotiations, which was eventually fixed for 30 June 1970. In mid-June 1970, Britain went to the polls and, unexpectedly, the Conservative party, led by Edward Heath, won the election. The new administration agreed to attend the formal opening meeting of the negotiations in Luxembourg on 30 June. Britain was again knocking at the EC's door.

Developments in Britain did not catch by surprise the Australian Liberal-Country Party coalition government, now led by John Gorton. Despatches from the London High Commission during the 1968-70 period had noted Wilson's determination to reopen the European chapter as soon as the circumstances permitted.[58] Following the EC summit in The Hague, there was no doubt in Australian minds that negotiations between Britain and the Six would take place

55. For de Gaulle's public declaration and the text of the communiqué issued by the Council of Ministers on 19 December 1967, see ibid., pp.331-319.
56. TNA, FCO 20/50, Speech of Alexander Downer at the Royal Commonwealth Society (Bath), 11.10.1967.
57. Brown quoted in TNA, FCO 75/1, Britain's Entry into the European Community: Report on the Negotiations for Entry into the European Community, June 1970-January 1972 by Sir Con O'Neill.
58. See NAA, A1838/2, 727/4/1/3 part 3, AHC London to DEA, cablegram 12218, 19.07.1968; NAA, A1838/2, 727/4 part 38, AHC London to DEA, cablegram 967, 15.01.1970.

relatively soon. The Australian approach was set out in a submission put forward by McEwen to cabinet on 28 May 1970. According to the Australian Trade minister, the British government was unlikely to seek any special safeguards for Australian trade interests. Hence, "no amount of representations, personal or otherwise, [was] going to achieve a special position for Australia". Yet the Australian government could not afford to "be seen to be doing nothing to try to safeguard" Australia's interests. McEwen, therefore, argued that it was

> "imperative that our public position, particularly as seen by the producers of those commodities likely to be most affected, be that […] we are doing everything possible to influence the enlargement of the Community in such a way as to cause the least damage to Australia".

He acknowledged that British entry would mainly affect Australia's farm exports. Wool and some minerals would in fact continue to enter the EEC market freely, as no quota or tariff restrictions were levied on these commodities. Manufactured goods, while subject to the CET, would in general benefit from the Community's liberal regime in manufacturing trade. As far as the farm sector was concerned, McEwen conceded that British entry would be less disruptive to Australian trade now than it would have been in 1961-62 as dependence on agricultural commodities on the British market had somewhat lessened during the 1960s.[59] However, the effect on particular industries such as dairy products, sugar, fruit and meat would create very serious problems in the light of their current economic position.[60] Diversification had in fact been far from satisfactory. For some of them (dairy products, dried and canned fruit, meat and sugar) there was a limited scope for alternative markets. A further problem was represented by the fact that certain regions around Australia had, over the years, specialised in producing specific commodities for the British market. These regions would be hit severely as a result of British entry into the Community.[61] Overall, however, estimated trade losses were this time smaller than in 1967. According to the department of Trade and Industry (DTI), total losses would be in the region of A$ 86 million a year –

59. NAA, A5619/1, C743 part 2, Cabinet Submission 258, 08.05.1970.
60. The economic future of Papua New Guinea (PNG) represented a further problem for the Australian government in the context of Britain's negotiations with the EC. In the early 1970s PNG was still a non self-governing trust territory under Australian administration. Because of its constitutional position, it could not become associated with the enlarged EC. This meant that, like Australia itself, PNG would face the imposition of the CET on some of its tropical exports over whatever transitional period was negotiated. Under the UK-Australia trade agreement (1956) PNG had in fact enjoyed tariff preferences in the British market. In 1969, the United Kingdom absorbed almost 29% of PNG total exports. Coconut oil, copra, coffee, cocoa and tea which constituted the backbone of the Territory's economy all depended on the British market. See TNA, FCO 30/611, Pakenham to Robinson, 01.10.1970. Hence, Britain's entry into the Community was expected to inflict serious economic damage to PNG. The Australian government was concerned that, unless provisions were made to accommodate PNG trade, British entry could hamstring the territory's development effort, the purpose of which was to bring PNG to independence as an economically viable country.
61. For instance, the loss of the British market for dairy products would particularly hit Tasmania and Victoria. The disappearance of British outlets for dried fruit would have serious repercussions on the Murray region.

that is, 2.7% of Australia's total exports in 1968–69.[62] In 1967 initial losses had been put at around A$ 125 million a year.[63] Hence, despite McEwen's claim to the contrary, the British market was no longer of crucial importance to Australia.

Cabinet endorsed McEwen's recommendations. In particular, the ministers agreed to "confirm Australia's former attitude that it is for Britain to decide whether or not it joins the [EC]". They endorsed the DTI's rather overstated stance that "important Australian trade interests stand to be seriously damaged". Cabinet also stressed the need "to explain Australia's position clearly in Brussels and London" and to impress on Australia's European partners that "the enlargement of the Community should be done on the basis consistent with G.A.T.T.".[64]

With this brief, McEwen visited Europe in July 1970. His expectations were not high. Yet, on his arrival in London on 6 July, he stated that although Britain was "very, very keen to get into the Common Market", he expected the British to "press quite hard for our interests, recognising that the relationship between Britain and Australia hasn't been by any means one-sided. I can remember a couple of wars".[65] Skilful a politician as he was, McEwen was clearly speaking to his domestic audience and, in particular, to farming communities scattered around Australia. Privately, however, McEwen "was resigned rather than demanding", as the British noted.[66] In his talks with the chancellor of the Duchy of Lancaster, McEwen reminded Barber of the damage that Australian farm interests would suffer if Britain entered the EC, and complained about the EC's protectionist farm policies.[677] In relation to safeguards for Australian farm exports, McEwen urged the British "to put up a hard fight on the question of length of [the] transitional period". More specifically, McEwen asked Barber to seek as long a transitional period as possible for Australia.[68] In reply, Barber recognised that entry would have a considerable effect on Australia's traditional exports to Britain. He stressed that "obviously the length of the transitional stage was important", and pledged that "the United Kingdom team would be seeking to achieve the longest transitional stage possible".[69] However, he reminded McEwen

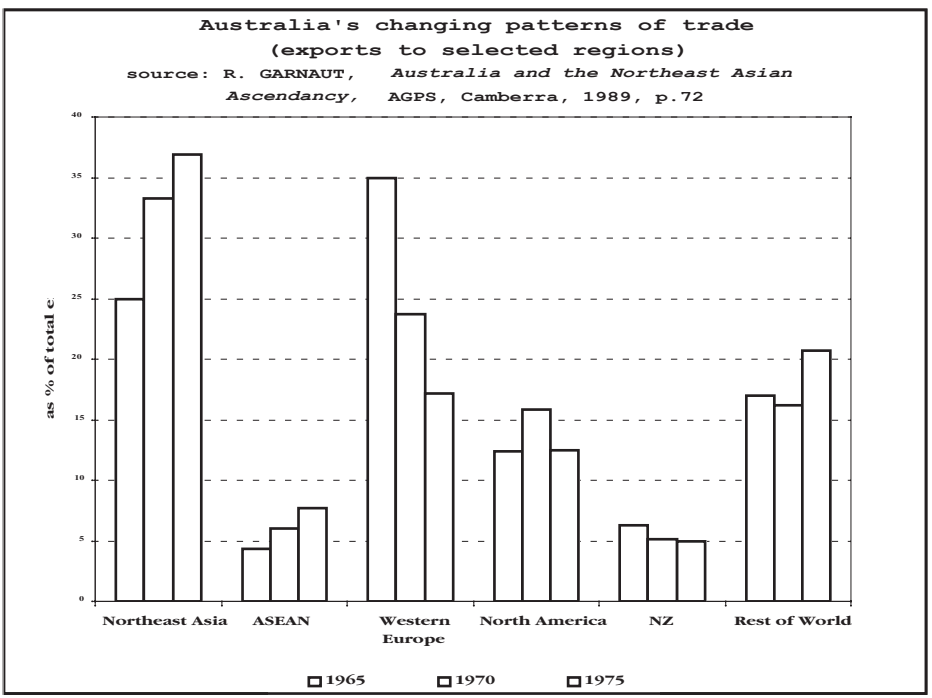
62. NAA, A5619, C743 part 2, Cabinet Submission 258, May 1970.
63. NAA, A10206, EHEC03, 'Britain and the E.E.C.', 15.11.1967. Initial losses were expected to rise to nearly A$ 200 million after 1974, when the CSA expired and when the Community was likely to reach self-sufficiency over a large spectrum of farm commodities.
64. NAA, A5619/1, C743 part 2, Cabinet Submission 258, 08.05.1970.
65. NAA, A10206/1, EHEC06, Press conference given by John McEwen at London airport, 07.07.1970.
66. TNA, FCO 75/1, Report on the Negotiations by O'Neill.
67. TNA, FCO 30/609, Memcon, Barber and McEwen (London), 08.07.1970.
68. NAA, A10206/1, EHEC06, Memcon, McEwen and Barber (London), 08.07.1970. See also TNA, FCO 30/609, British High Commission (henceforth BHC) Canberra to FCO, telno. 696, 10.07.1970.
69. NAA, A10206/1, EHEC06, Memcon, McEwen and Barber (London), 08.07.1970. See also TNA, FCO 30/609, Memcon, Barber and McEwen (London), 08.07.1970. Britain's brief as circulated to ministers on 30 June 1970 stated that 'the previous administration decided in 1967 that we should not aim at securing more for New Zealand (apart from the field of dairy products), Canada and Australia than the gradual application of tariffs and levies over whatever transitional periods are negotiated'. TNA, FCO 75/1, Report on the Negotiations by O'Neill.

of the fact that the British government "had to bear in mind the possible views of the E.E.C. Member States".[70]

In May 1970, as he set out Australia's position on the forthcoming UK-EC negotiations, McEwen had also sought cabinet approval for "the development of a new dynamic relationship with Japan particularly [but by no means exclusively] in the trade and economic field". This initiative, far from being accidental, was intimately linked to the imminent opening of negotiations between Britain and the Six. Although Japan had by 1970 established itself as Australia's largest exporting market and Northeast Asia had already replaced Western Europe as Australia's major export destination (see table and figure), this was hardly enough and further trade expansion towards the Asia-Pacific region was necessary to offset the loss of the British market. According to McEwen,

> "Japan and the surrounding countries offer[ed] the best prospects for increasing Australian exports in the world, and [were] the only area where, by developing closer relations, [Australia could] hope that the doors [were] opening to [its markets]".[71]

Despite some reservations, cabinet accepted McEwen's proposal.[72]



70. NAA, A10206/1, EHEC06, Memcon, McEwen and Barber (London), 08.07.1970.
71. NAA, A5619/1, C742, Cabinet Submission 257, May 1970.
72. NAA, A5619/1, C742, Cabinet Decision 387, 18.05.1970.

Australia of Britain's final attempt to join the EC was already in play, even before London began to negotiate in earnest with the EC. The Gorton government was in fact considering deepening Australia's political and economic ties with Japan, accepting McEwen's view that a closer relationship with Tokyo would be the first step towards a much closer political and economic engagement with other countries in the region. This would clearly represent a further step away from the traditional links with Britain, whose plans for entry into the EC, in reality, left Australia with no other alternative. It is noteworthy that, in commending his policy initiative to the cabinet, McEwen drew attention to the fact that British entry "would mean the dismantling of the British Preferential System". He advised the cabinet to act without delay and revoke British preferences. This would allow the government to accord Japan greater trade advantages in the Australian market, in exchange for preferential treatment for Australian goods in Japan. McEwen argued that an early move "would in itself make Australia a much more attractive market partner to Japan but our ability to capitalise on that will [see figure] decrease progressively as the U.K. moves closer to taking its final decision on movement into Europe".[73] It was indeed the end of an era.

Yet rarely does the end of an era occur without recriminations. Anglo-Australian relations were no exception. In the summer of 1971 Australia strongly criticised Britain's handling of the negotiations with the Six, and accused the British of completely disregarding Australian interests. The Australian government, in particular, complained that the British had reneged on their pledge to seek long transitional arrangements for Australian agricultural exports.[74] In the late spring of 1971 the British had in fact come to the conclusion that, for the sake of a breakthrough in the negotiations, they would have to scale down their demands for a five-year transitional period for agriculture and accept the Community's offer for "safeguard clause", whereby

> "if circumstances arose during the transitional period in which significant volumes of trade risked serious disruption, then the enlarged Community would deal with the position".[75]

Britain's back-down on the question of a lengthy transitional period was received with bitterness in Canberra. The new Australian government, led by McMahon, accused the British of failing to keep their word and protect Australian interests. It drew particular attention to the deal struck by the UK and EC negotiators on 11–13 May, and protested that this was in stark contrast with the assurances given by Barber in 1970.[76] Tensions between London and Canberra rose when McEwen's successor, Douglas Anthony, flew to London in mid-June 1971.[77]

73. NAA, A5619/1, C742, Cabinet Submission 257, May 1970.
74. NAA, A1838/2, 727/4/2 part 14, Bunting to Downer, cablegram 7856, 15.06.1971.
75. NAA, A1838/2, 727/4/2 part 17, Anthony to Department of Foreign Affairs (DFA), cablegram 327, 04.06.1971.
76. NAA, A1838/2, 727/4/2 part 14, Bunting to Downer, cablegram 7856, 15.06.1971.
77. NAA, A1838/2, 727/4/2 part 17, AHC London to DFA, cablegram 12150, 25.06.1971.

As the new head of the department of Trade and the new leader of the Country Party, Anthony was determined to make sure that Australia's farm interests would not be overlooked. On his arrival, Anthony complained to the new chancellor of the Duchy of Lancaster, Geoffrey Rippon, that in their desire to enter the EC the British had "jettisoned the safeguards and transitional arrangements that they had earlier promised to Australia".[78] In reply, Rippon

> "took the line that even if the British Government had, during April and May of this year, changed its policy on agricultural transitional arrangements, Australian officials had been informed of this change".

He suggested that "if [the Australian government] had any complaint [it] should have raised it at that time". Rippon ruled out the possibility of taking any further action with the EC on Australia's behalf. He claimed that what Australia was seeking was not negotiable. In any case, Rippon argued, a generalised safeguard clause represented a better result for Australia.[79] In recalling his visit to London more than thirty years later, Anthony described his meeting with Rippon as

> "one of the most disorderly, rude and vulgar meetings I have ever attended. And that's saying a lot having dealt with discontented farmers and trade unionists during my political career. After an introduction by Geoffrey Rippon and a few indiscreet comments the whole meeting exploded and each officer virtually took on his counterpart across the table. It was bedlam and the language was pretty raw. I finished up leaving the meeting in disgust".[80]

Rippon's claims were only partially true. He was certainly right to point out that, in the light of EC intransigence on lengthy transitional periods, Australian requests were not negotiable. But, as far as the safeguard clause was concerned, it was doubtful that Britain really believed that it represented a better result. Until the 11–13 May ministerial meeting, the British had in fact insisted on "firmer" and "more specific" guarantees than a safeguard clause.[81] To the Australians this was irrelevant in any case: they did not believe it was a better result. More importantly, Rippon's claim that Canberra had been informed in advance of Britain's change of mind on transitional arrangements was simply not true.[82] Despatches from the Australian High Commission in London or the Australian embassy in Brussels relayed no such news. This is not surprising. In the spring of 1971 the British were slowly coming to the conclusion that, for the sake of a breakthrough in the negotiations, they would have to scale down their requests on transitional arrangements. Fearing complications with their Commonwealth partners, they kept

78. A. DOWNER, *Six Prime Ministers*, Hill of Content, Melbourne, 1982, p.273. See also TNA, FCO 30/897, Record of Conversation between the Chancellor of the Duchy of Lancaster and the Deputy Prime Minister of Australia, 25.06.1971.
79. NAA, A1838/2, 727/4/2 part 17, AHC London to DFA, cablegram 12150, 25.06.1971.
80. Letter to the author 21.08.2003.
81. NAA, A1838/2, 727/4/1 part 13, Australian Embassy Brussels to DFA, cablegram 215, 22.04.1971.
82. See for example NAA, A1838/2, 727/4/2 part 15, Davies to Waller, 08.07.1971; NAA, A1838/2, 727/4/1 part 13, Australian Embassy Brussels to DFA, cablegram 141, 10.03.1971; Australian Embassy Brussels to DFA, cablegram 215, 22.04.1971.

their cards very close to their chests and played the deception game. On 22 April, at a briefing meeting with Commonwealth representatives in Brussels, British officials still maintained that "there would be serious political problems if the British market for products for which there were no other outlets were 'brutally and abruptly' ended for the traditional suppliers".[83] But, as noted, the British cabinet agreed to accept the EC's demands on transitional periods on 6 May. In strict confidentiality, the British informed the Six of their decision in advance to ensure that "an approach on these lines would be acceptable to the [EC] member countries and the Commission, and could lead to an agreement".[844] Australians were of course left in the dark. Rippon's claims that the McMahon government had been kept informed were groundless. As O'Neill pointed out in an internal minute:

> "On the whole, it is difficult to refute the Australian case – such as it is. We had hoped to get clearer and more precise arrangements for running down third country supplies over the transitional period. We told Commonwealth representatives this, e.g. 22 April. We did not give them much if any notice of the switch we felt obliged to make at the Ministerial meeting on 11 to 13 when we had to accept the principle of Community preference from the start".[85]

Unappeased and dissatisfied, Anthony left London resentful at the British sleight of hand. Before leaving the British capital, "he made a bitter statement", which, according to Downer, "angered British Ministers and upset many people sympathetic to the Australian cause".[86]

Unsurprisingly, the Heath government found the Australian reaction unpleasant.[87] At a press conference Heath said that he "regretted" Anthony's comments.[88] According to O'Neill, "from May to July 1971 [Australia's] complaints and accusations rose to an embarrassing public crescendo".[89] Even before Anthony's arrival in London, the British had already voiced their annoyance with Australia. In early June, at a meeting with the foreign diplomatic corps, Rippon lashed out at Downer about Australia's accusations. According to the Australian High commissioner, Rippon

> "embarked on a bitter tirade against Australia. We were a selfish country … We cared nothing for Britain. 'It would matter nothing to you if this country sank under the North Sea', he shouted. We thought of our own interests and nothing else. Australia was a rich country—richer than Britain … 'You cannot', he proceeded, 'continue to live on England's back'".[90]

The rift, however, did not last long.[91] Despite its disappointment, the Australian government had to live with the fact that, as Con O'Neill put it,

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83. Ibid.
84. TNA, FCO 75/1, Report on the Negotiations by O'Neill.
85. TNA, FCO 24/1055, O'Neill to Ticknell and Statham, 16.07.1971.
86. A. DOWNER, *Six Prime Ministers*, op.cit., p.273.
87. See Heath to McMahon in TNA, FCO 30/898, Douglas-Home to BHC Canberra, telno 700, 02.07.1971.
88. NAA, A1838/2, 727/4/2 part 15, AHC London to DFA, cablegram 13643, 20.07.1971.
89. TNA, FCO 75/1, Report on the Negotiations by O'Neill.
90. A. DOWNER, *Six Prime Ministers*, op.cit., pp.271–272.
91. TNA, FCO 75/1, Report on the Negotiations by O'Neill.

> "what mattered [to Britain] was to get into the Community, and thereby restore [its] position at the centre of European affairs. […] The negotiations were concerned only with the means of achieving this objective at an acceptable price".[92]

Thus, in the final months of 1971 the Australian government sought to put a positive gloss on the Anglo-Australian row. Anthony told the House of representatives that the controversy "must all be accepted as history" and that Australia "must now look to the future". In this context, he stressed the need to place increasing reliance on ties with Japan and to ensure that "this relationship is developed as much as possible".[93]

Following Heath's successful summit with French president Georges Pompidou in June 1971, the road was paved for a positive conclusion of the EC-UK negotiations. This duly happened on 22 January 1972 when Heath signed the treaty of accession in Brussels. Britain entered the EC in January 1973. In September 1972 the Australian government announced the abolition of preferences granted to British imports and the termination of the UK-Australia Trade Agreement as from 1 February 1973.[94] The EC question, which had marred Anglo-Australian relations for a decade, had finally come to an end, and, with it, an era of close Anglo-Australian relations. Although cultural ties between Australia and Britain were to remain strong, and relations between the two governments cordial, Britain's relevance in Australia's political life as well as in its economic and strategic policy-making had greatly diminished.

Conclusion

"Australia is still […] Britain's best friend in the world. The bond of attachment runs deep". So British High commission officials in Canberra wrote in a steering brief dated March 1962. Yet, as they were ready to admit, Anglo-Australian relations had begun to change fundamentally during the previous two years and were bound to change further. The bonds of Empire, they noted, were becoming "increasingly a matter for the historian". In their view, change had been accelerated by developments of great Commonwealth significance, which included the Commonwealth's transformation into a multi-racial body with an increasing Afro-Asian membership and new restrictions to Britain's immigration law. Yet the factor most likely to undermine Anglo-Australian relations was Britain's bid to join the EC which had been launched in July 1961. As British officials observed, there was a widespread fear in Australia of the consequences of Britain's entry. Apart from economic damage, Australians were concerned that Britain's role as a European power would increasingly affect its policies outside Europe and that

92. Ibid.
93. Australia, House of Representatives, *Parliamentary Debates*, vol.73, 1971, pp.354–356.
94. G.C. BOLTON, *The United Kingdom*, in: W.J. HUDSON (ed.), *Australia in* World Affairs 1971–75, Allen & Unwin, Sydney, 1980, p.215.

these would not necessarily accord with Australian interests. Unsettling as it was, the British bid was not the only disturbing aspect of Britain's closer engagement with Europe. There were also politico-strategic factors which fuelled Australian apprehension. "As we withdraw into Europe", British officials remarked, "British power, interests and influence in South-East Asia are seen as waning rapidly". Predictably, the contraction of Britain's politico-military presence in the region was viewed in Canberra with anxiety at a time of growing instability in Southeast Asia.[95]

These observations provide an interesting insight into the changing nature of the Anglo-Australian relationship in the early 1960s. They also foreshadow the emergence of a major conflict of interest between Australia and Britain as policy-makers in London reoriented their country's external policies towards Europe. Macmillan's decision to seek EC membership in 1961 came as a shock to Australian policy-makers given the fact that, during the 1950s, they had accepted in good faith British reassurances that Australian and Commonwealth interests would not be sacrificed on the altar of British entry into the EC. Understandably, Macmillan's change of heart was a source of great anxiety to the Menzies government. From an Australian viewpoint, British entry would irreparably undermine Britain's political ties with Australia and the Commonwealth. It would also have negative economic implications for the Australian economy as British entry would put at risk Australian exports to the British market. In addition, entry would have important strategic consequences for Australia's security since Britain's consequent European focus would weaken its determination to maintain a politico-military role in Southeast Asia where Australia's main strategic interests lay. The Australian response to Britain 1961-63 bid was initially vociferous and rigid. The Menzies government demanded that all Australian trade interests should be protected, and in urging the British to safeguard Australian interests, it sought to play the "sentiment card". In addition, as Menzies himself reminded the British repeatedly, Britain should carefully consider the potential damage that entry would inflict on the unity of the Commonwealth. The Australians also sought to enlist the diplomatic support of the United States in their efforts to have Britain rethink its proposed move. However, as the negotiations in Brussels wore on between the British and the Six, it became evident that Australian and British interests were too far apart to be reconciled. Resigned to the fact that London would allow no Commonwealth interest to stand in the way of British entry, the Menzies government adopted a much softer approach. In the end, the Macmillan bid failed in January 1963 when France vetoed the British application. Despite the French veto, Britain's 1961–63 application left an indelible mark on Anglo-Australian relations. It wrecked Australia's strongly-held belief that differences between Canberra and London could be reconciled in the name of a strong Commonwealth loyalty.

Britain's second application to the EC added further strain to Anglo-Australian relations. Apart from the inevitable economic damage for Australia which would

95. TNA, Dominions Office 169/2, Visit of the High Commissioner to London, 1962. Steering Brief: Anglo-Australian Relations, March 1962.

still result from entry, the application was now also regarded as being likely to weaken Britain's resolve to maintain its politico-military role in Southeast Asia. In particular, Australian policy-makers became persuaded in mid-1967 that Wilson's "approach to Europe" had paved the way for the almost concomitant decision to withdraw from East of Suez. The withdrawal, combined with the decision to seek EC entry, was perceived in Australian official circles as irrefutable evidence that London was reorienting its external policies towards Europe. In this context, the article also reveals the extent to which the Wilson government was prepared to ignore Australian interests in order to secure Britain's foreign policy objectives. The 1967 application sent a clear and powerful message that, in pursuing Britain's European objectives, London regarded Australian interests as expendable. While Macmillan had to some extent tried to reconcile the divergent interests of Britain and Australia at the time of the 1961–63 bid, such consideration was of little interest to Wilson. The lessons of the 1967 bid left Canberra in no doubt about Britain's commitment to joining the EC and under no illusion that the British would jeopardise their chances of success in order to protect Australian interests.

In the event, while the Wilson bid collapsed, its impact was lasting. The application remained on the table and was resumed by the Heath Conservative government in 1970. Since the Australian government had little hope of seeing its trade interests properly safeguarded by Britain, its policy centred on demands for transitional arrangements in order to protect Australian interests. To this end, while urging the British to protect its interests, Canberra also considered steps to deepen its political and economic ties with Japan. A closer relationship with Asia's emerging economic power was seen in Canberra as the first step towards a much closer political and economic engagement with other countries in the region. Thus, as Britain was about to enter the EC, Australia sought to reorient its own external and economic policies towards the Asian region.